



PRESS RELEASE

Internal Revenue Service - Criminal Investigation Cincinnati Field Office *Acting Special Agent in Charge Guy A. Ficco*

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COLUMBUS BUSINESS OWNER SENTENCED FOR FAILING TO PAY OVER EMPLOYMENT TAXES

COLUMBUS – Paul R. Taylor, Jr., 60, of Columbus, Ohio, was sentenced to twelve months and one day in prison, three years of supervised release, and was ordered to pay \$1,576,750.29 in restitution to the Internal Revenue Service (IRS) for the willful failure to pay over employment taxes. Taylor previously pleaded guilty to this charge on June 23, 2015.

Carter M. Stewart, United States Attorney for the Southern District of Ohio and Guy A. Ficco, Acting Special Agent in Charge, Internal Revenue Service Criminal Investigation, Cincinnati Field Office, announced the sentence handed down by U.S. District Judge Gregory L. Frost.

According to court documents, Taylor is the owner and operator of inter-related business entities in the construction development management industry.

One of Taylor's entities, Kingston, LLC ("Kingston"), engaged in the practice of withholding employment taxes from employees and then failing to remit payment to the IRS. This entity was under Taylor's sole control. In addition to Kingston, Taylor was also a responsible party for another entity that engaged in a similar practice in place of failing to remit payment of employment taxes to the IRS.

As of 2006, this other entity had accrued substantial employment tax liabilities. Taylor stopped operations at this entity. Kingston absorbed its assets and employees, but not its employment tax liabilities.

Beginning in 2006, Taylor set up Kingston as a "back office support" for his numerous other entities. Taylor leased Kingston's employees to his other entities in return for payments to be made at his discretion. The company had no assets upon which to pay the employment tax liabilities. The amounts that Taylor withheld from his employees were never remitted to the IRS.

The total tax loss in this case for the unpaid employment taxes for the 2002 through 2011 income tax years is \$1,576,750.29.

"Corporate executives have a responsibility to withhold income taxes for their employees and then remit those taxes to the IRS," said Guy A. Ficco, Acting Special Agent in Charge, IRS Criminal Investigation, Cincinnati Field Office. "Those who fail to do so to gain a competitive advantage that will not be tolerated and will be prosecuted to the fullest extent of the law."

This case was prosecuted by Assistant United States Attorney Peter Glenn-Applegate and was investigated by special agents of IRS-Criminal Investigation.

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